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Marine Outlook

Highlights of the Marine Industry

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PORTS

Montreal

Port Sailing Toward a Record Year

As of September 30, 2005, the Port of Montreal has handled a total of 18.2 Mt, 6% more than for the same period last year. In terms of general cargo transhipments, the tonnage of containerized and non-containerized cargo respectively increased by 4% and 11%. Liquid cargo (petroleum products and other) recorded an 18% increase in tonnage, while solid cargo (grain, cereal and other) experienced a 3% decrease. 1 043 ships passed through the Port of Montreal between January and September 2005, compared to 993 during the same period last year.[1]

According to port authorities, the Port of Montreal could very well beat a record that has stood for 25 years with approximately 25 Mt of cargo handled during the entire year (the record was 24.9 Mt in 1980). The port's excellent performance is explained by the vigour of the Canadian and American economies and the strong growth of world trade.[2]

Last winter, the Port of Montreal began a $150 M investment program over five years, $30 M of which would be invested in 2005. By 2010, $78 M will be invested in container terminals, $27 M in common infrastructures, $14 M in non-containerized cargo terminals, $15 M in solid cargo terminals, $8 M in liquid cargo terminals and $8 M to prepare the Alexandra Pier for cruise departures. All of this work will allow the port to receive more freight.[3]

Quebec

Increase in Handled Tonnage

As of September 30, 2005, the Port of Quebec handled a total of 15.9 Mt, a 4% increase compared to the same period last year. This is attributable in large part to the increase in tonnage of liquid cargo (petroleum products, chemical products, etc.) which climbed 5%. The tonnage of solid cargo (cereal, fertilizer, ore and concentrates, metallurgical coke, etc.) also increased, but only by 1%.[4]

Fall signalled the start of the peak season for international cruises at the Port of Quebec.

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[1] Montreal Port Authority

[2] Dupaul, Richard, « *Le port de Montréal vogue vers une année record* », La Presse, July 20, 2005.
[3] Ramsay, Charles-Albert, « *Vague de modernisation dans les ports* », Les Affaires, October 22, 2005.
[4] Québec Port Authority

From September to October, the port welcomed nearly 70 000 cruise passengers who travelled on 23 liners. This represents a drop of about 2 000 cruise passengers compared to 2004.[5] One of the main new things this year is that the port is being used as a landing and boarding dock for thousands of passengers, instead of simply as a stop-over. Quebec City was the departure point for a cruise on the *Enchantment of the Seas*, the *Sea Princess* and two cruises on the *Seaburn Pride*.[6]

Sept-Îles

Inauguration of Phase II of Alouette's Project

By September 30, 2005, nearly 15.5 Mt of cargo had been handled at the Port of Sept-Îles, 19% more than during the same period last year. This rise is mainly explained by an increase in the tonnage of iron ore, alumina and aluminum. 416 ships passed through the Port of Sept-Îles in the first three quarters of 2005, 21% more than during the same period last year, with 344 ships.[7]

On September 20, Aluminerie Alouette began phase II of its project. With the completion of this second development phase, Alouette plans to increase its current 243 000 t production per year to 550 000 t. The Sept-Îles aluminum plant will become one of the ten largest in the world.[8]

Port authorities hope to make Sept-Îles a major port of transit. The port has a great advantage for such a project: being located in deep waters. A port of transit would mean that huge European and Asian ships would unload their cargo at the Port of Sept-Îles, which would then be shipped to other maritime destination on smaller vessels.[9]

Chemin de fer QNS&L and Wabush Mines recently signed an agreement concerning the transportation of iron ore for the duration of the Labrador mine's operations. Prior to this agreement, QNS&L transported iron concentrate on three trains for Wabush mines and other trains for the IOC mining company. From now on, the company will offer the use of mixed trains with a configuration of 140 wagons for IOC and a rear train made up of 70 wagons for Wabush mines. This agreement will optimize the railroad's use and help increase the overall iron concentrate shipping capacity from the Port of Sept-Îles.[10]

Port-Cartier

Decrease in Handled Tonnage

By September 30, 2005, the Port of Port-Cartier had handled a total of 10.2 Mt, a 16% drop from last year. Two months of striking at the Québec Cartier company in April and May led to a decrease in the tonnage of iron ore handled by the port. Maritime traffic also decreased. 281 ships passed through Port-Cartier during the first three quarters of 2005, about 30 less than for the same period last year.[11]

Port-Alfred

Increase in Handled Tonnage

As of September 30, 2005, the Port of Port-Alfred had handled a total of 3.6 Mt, a 10% increase compared to last year. Both dry bulk cargo and liquid cargo increased in tonnage. More precisely, there was a rise in the tonnage of bauxite, green coke, calcinated coke, caustic soda and fuel oil in 2005 compared to the first three quarters of 2004. As for traffic, 104 ships passed through the port, 6 more than during the same period last year.[12]

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[5] « *Retombées de l'industrie des croisières* », Bulletin économique du transport – Transports Québec, November 2005.
[6] Pelchat, Pierre, « *Navires de croisière : la haute saison commence* », Le Soleil, September 3, 2005.
[7] Sept-Îles Port Authority.
[8] « *Aluminerie Alouette inaugure sa phase II* », Radio-Canada Web site, September 20, 2005; Bergeron, Maxime, « *Le boom de Sept-Îles* », Le Soleil, September 20, 2005.
[9] Bergeron, Maxime, « *L'importance du fleuve* », La Presse, September 21, 2005.
[10] Paradis, Steeve, « *Entente sur le transport du minerai de fer* », Le Soleil, August 31, 2005.
[11] Service des Relations publiques de Québec Cartier.
[12] Port-Alfred Port Authority.

Sorel

Increase in Handled Tonnage

By September 30, 2005, the Port of Sorel had handled a total of 3.5 Mt, 6% more than last year. The main reason for the increase is the rise in tonnage of iron, grain and cereal. The port welcomed 188 ships, about 20 more than during the same period last year.[13]

The Rio Tinto company, owner of QIT-Fer et Titane, will invest $235 M in Sorel-Tracy notably to increase the smelting plant's capacity. This investment is needed due to authorization given to Rio Tinto by the Government of Madagascar in Africa to proceed with ilmenite extraction in a mineral sands mine. The mine's ilmenite reserves are estimated at 75 Mt, which would permit at least 40 years of extraction. The project's first phase, which will extend until 2012, involved shipping 750 000 t of ore per year to Sorel-Tracy for smelting. To handle and process the additional ore, QIT needs to expand its port, storage and smelting capacities.[14]

Baie-Comeau

Slight Drop in Handled Tonnage

As of September 30, 2005, the port had handled a total of 2.87 Mt, a slight drop compared to the same period last year. With regard to traffic, the port welcomed 170 ships over the first three quarters of 2005, 5 less than last year.[15]

Approximately 591 000 t of cargo, which passed through the Port of Baie-Comeau on the *Georges-Alexandre-Lebel* in the first three quarters of the year, must be added to this tonnage. That represents a 1% increase compared to the same period last year. This increase is mainly due to a rise in the tonnage of aluminum and logs. Between January and September 2005, the train ferry made 351 round trips, approximately a dozen less than during the first three quarters of last year.[16]

Havre-Saint-Pierre

Increase in Handled Tonnage

As of September 2005, the Port of Havre-Saint-Pierre had handled a total of 2.2 Mt, 8% more than during the same period last year. An increase in the loads of ilmenite is largely responsible for this increase in tonnage. The port welcomed 97 ships, about a dozen more than during the first three quarters of 2004.[17]

Trois-Rivières

Increase in Handled Tonnage

By September 30, 2005, the Port of Trois-Rivières had handled a total of 1.7 Mt, 10% more than during the same period last year. This increase is the result of a rise in the tonnage of grain and cereal, liquid cargo and general freight. The port welcomed 226 ships over the first three quarters of the year, compared to 191 last year.[18]

Launched last June, the *Lampsillis*, a Université du Québec à Trois-Rivières (UQTR) laboratory boat, successfully completed two missions this summer. Based in the Port of Trois-Rivières, *Lampsillis*' primary mission is to study the St. Lawrence River's ecosystem from the Great Lakes to the estuary. The laboratory boat has already travelled between Lac Saint-Pierre and Île-aux-Coudres.[19]

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[13] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2004 and 2005.
[14] Ramsay, Charles-Albert, « *Rio Tinto investit 235 M$ dans sa filiale QIT-Fer et Titane* », Les Affaires, October 1, 2005.
[15] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2004 and 2005.
[16] « *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel* », SOPOR et COGEMA, 2004 and 2005.
[17] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2004 and 2005.
[18] Trois-Rivières Port Authority.
[19] Trahan, Brigitte, « *Le « Lampsillis » sillonne le fleuve Saint-Laurent* », Le Soleil, September 3, 2005; « *Le bateau laboratoire de l'UQTR remplit sa mission au-delà des espérances* », Radio-Canada Web site, September 26, 2005.

Bécancour

Increase in Handled Tonnage

As of September 30, 2005, the Port of Bécancour had handled a total of 1.3 Mt, a 13% jump from last year. This is due in large part to an increase in the tonnage of coal, magnesite, ore, chemical salt and various pieces of equipment. As for traffic, the port welcomed a total of 103 ships, about a dozen more than during the first three quarters of 2004.[20]

Aluminerie de Bécancour is planning to invest $23 M to modernize its plant. The investment involves installing a new homogenization furnace that will be in operation in December 2006. The plant will also be able to increase its aluminum billet production by 120 000 t per year. Billets are in great demand in the aeronautics, construction and transportation industries.[21]

Gros-Cacouna

The Population of Gros-Cacouna in Favour of the Methane Terminal

As of September 30, 2005, the Port of Gros-Cacouna had handled a total of 243 000 t, an 82% jump compared to the first three quarters of 2004. This strong increase is essentially a result of a significant rise in the tonnage of sand, stone and gravel. The port welcomed a total of 31 ships this year, 2 more than during the same period last year.[22]

The Gros-Cacouna methane terminal project received the population's approval during a vote held on September 25. In fact, 57% of the citizens voted in favour of the project. While the results of the vote are for consultation purposes only, they will nevertheless have a considerable moral scope for Énergie Cacouna during the next step: defending the project before the *Bureau d'audiences publiques sur l'environnement* (BAPE). This project's realization will require the building of sizeable port infrastructures to welcome the methane carriers, ships transporting liquefied natural gas.[23]

Port Saguenay

Several Projects Planned for the Port

As of September 30, 2005, the Port of Port Saguenay had handled a total of 237 000 t 18% less than for the same period in 2004. This decrease is attributable to a drop in the tonnage of wood pulp, containerized cargo, metal products, fluorite and aggregates. The port welcomed 34 ships in the first three quarters of 2005, 6 less than during the same period last year.[24]

The engineering study report regarding the port of call project for cruise ships in Baie des Ha! Ha! filed last August confirmed that the project will cost at least $30 M. Of this amount, $25 M would be used to improve the docking and landing facilities. 11 cruise ships are expected to dock at the Port of Grande-Anse in 2006.[25]

The project to build a methane terminal on the Port Saguenay site received a favourable response from the *Groupe d'initiatives et de recherches appliquées au milieu* (GIRAM) in Lévis. GIRAM has already taken a position against methane terminal projects in Lévis and Gros-Cacouna. According to GIRAM, the Port-Saguenay site has the advantage of being in an isolated and scarcely populated area. Moreover, maritime navigation is less intense on the Saguenay River than the St. Lawrence, which would make managing maritime and methane carrier traffic easier. The methane terminal project in Saguenay is evaluated at $1 billion, $700 M for the terminal and $300 M for the gas

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[20] Bécancour Port Authority.
[21] « *L'Aluminerie de Bécancour confirme un investissement de 23 M$* », Radio-Canada Web site, September 19, 2005.
[22] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2004 and 2005.

[23] « *Modeste oui au projet de terminal méthanier de Cacouna* », Radio-Canada Web site, September 26, 2005.
[24] Port Saguenay Port Authority.
[25] « *L'aménagement du port d'escale dans la baie des Ha! Ha! coûtera 30 millions* », Radio-Canada Web site, August 18, 2005; Labrie, Isabelle, « *Coûts plus élevés – Promotion Saguenay réalisera son projet* », Le Quotidien, July 20, 2005.

pipeline between the Port of Grande-Anse in La Baie and Quebec City.[26]

The recent hike in oil prices is giving the promoters of an oil handling terminal in Port Saguenay a stronger argument. According to the port manager, "a ship can travel 10 times as far as a truck on one litre of fuel". If the project became reality, it would reduce heavy truck traffic through the *Réserve faunique des Laurentides* by 7%.[27] In practical terms, it would only take 34 ships to replace the 11 500 round trips made by trucks that carry petroleum products throughout the region.[28]

Matane

The Port of Matane Profiting from Wind Energy Development

As of September 30, 2005, the Port of Matane had handled a total of 187 000 t, 7% less than on the same date last year. The drop in tonnage of wood pulp and petroleum products were responsible. As for traffic, the Port of Matane welcomed 34 ships in the first three quarters of 2005, 3 less than during the same period last year.[29]

Approximately 713 000 t of cargo, which passed through the Port of Matane on the *Georges-Alexandre-Lebel* in the first three quarters of the year, must be added to this tonnage. That represents 21% more than last year. The train ferry made 352 round trips to date in 2005.[30]

The development of wind energy in the Lower St. Lawrence and Gaspé will be profitable for the Port of Matane, notably due to the unloading (reception) and loading (shipping) of raw material and finished products of all kinds. Composite VCI de Mirabel will invest $1 M in Matane to build a wind turbine component manufacturing plant. The plant will manufacture wind turbine nacelle casings.[31] Moreover, *Terminaux portuaires du Québec* will invest $1.1 M to expand its warehouse on the Matane wharf. In addition to being used to store wood pulp produced by Tembec, the warehouse could also be used to store wind turbine towers made by Marmen.[32]

Rimouski

Decrease in Handled Tonnage

As of September 30, 2005, the Port of Rimouski had handled a total of 178 000 t, 6% less than on the same date last year. This drop is explained by the decrease in tonnage of building lumber, wood pulp, pulp, gas and de-icing salt. As for traffic, 53 ships docked at the port, 3 less than for the same period last year.[33]

Relais Nordik will continue to serve the Lower North Shore for the next 10 years. Transports Québec confirmed in August that Relais Nordik was the only company to put in a bid before the application deadline. The *Ministère* specified that Rimouski will remain the supply ship's home port.[34]

Portneuf

Increase in Handled Tonnage

As of September 30, 2005, the Port of Portneuf had handled a total of 74 000 t, 3% more than during the same period last year. This increase is due to a rise in the tonnage of sand, stone and gravel. As for traffic, 7 ships passed through the Port of Portneuf during the first

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[26] St-Gelais, François, « *Terminal méthanier à Grande-Anse – Une alternative valable à Lévis et Cacouna* », Le Quotidien, September 22, 2005; « *Le GIRAM en faveur de l'implantation d'un terminal méthanier au Saguenay* », Radio-Canada Web site, September 23, 2005.

[27] « *Le projet d'un terminal pétrolier au Saguenay prend de la vigueur* », Radio-Canada Web site, September 2, 2005.

[28] Port Saguenay Port Authority.

[29] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2004 and 2005.

[30] « *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel* », SOPOR et COGEMA, 2004 and 2005.

[31] « *Développement éolien : une nouvelle usine s'installe à Matane* », Radio-Canada Web site, August 25, 2005.

[32] Michaud, Henri, « *Le port de Matane veut profiter de l'éolien* », Le Soleil, October 8, 2005.

[33] « "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2004 and 2005.

[34] « *Relais Nordik garde la desserte maritime de la Basse-Côte-Nord* », Radio-Canada Web site, August 3, 2005.

ore than during three quarters of the year, 1 mo the same period last year.[35]

Pointe-au-Pic

Decrease in Handled Tonnage

Port of Pointe-
As of September 30, 2005, the 000 t, 29% less au-Pic had handled a total of 59 0year. This drop than during the same period last the tonnage of is explained by the decrease in tof wood chip newspaper and the absence ed through the transhipments. Fewer ships pass05, 2 less than port with a total of 19 ships in 20(last year.[36]

Gaspé

se

Gaspé Hopes to Become a Crui Destination

of Gaspé had
By September 30, 2005, the Port5% less than handled a total of 56 000 t, 194. A drop in during the same period in 200eum products tonnage of de-icing salt, petrolible. The port and general freight is responsiuring the same welcomed 12 ships, 4 less than du period last year.[37]

ruise ships by
Gaspé wants to welcome more c for the Port of 2007. This is a promising sector the necessary Gaspé, which does not yet have he *Office du* infrastructures. According to tuttle service is *tourisme de Gaspé*, a bus and sh who want to needed to welcome passengers s would also visit the area. The port facilitie welcome any require major work to be ready to liners.[38]

of Gaspé has
The tonnage handled by the Port Gaspé closed dropped dramatically since Mines wind turbine in 1999. The development of theod processing industry, the building of a new woevelopment of plant by Groupe GDS and the d

bours and Ports in

[35] "Detailed Report on Tonnage Handled at Hart Quebec" Transport Canada, 2004 and 2005.
[36] Ibid
[37] Ibid plus de
[38] Gélinas, Geneviève, « *Gaspé veut accueillir croisiéristes* », Le Soleil, September 20, 2005.

the cruise industry could give the port its second wind.[39]

Chandler

Wind Energy: Benefits for Chandler Wharf

As of September 30, 2005, the Chandler Wharf had handled a total of 3 928 t, 40% more than last year. This increase is solely due to a rise in the tonnage of de-icing salt. Three ships passed through Chandler during the first three quarters of 2005, 1 more than during the same period last year.[40]

Énergie PGE, a division of Plastiques Gagnon in Saint-Jean-Port-Joli, will launch the production of low-wind turbines at its Chandler plant this fall. Plastiques Gagnon developed expertise in manufacturing small wind turbines with a 35 kilowatt capacity. The company is targeting the market that is electrifying rural areas in developing countries, notably Africa.[41] The wind turbines will most likely be shipped by maritime transport.

[39] « *Le port de Sandy Beach pourrait reprendre du poil de la bête* », Radio-Canada Web site, Octobre 5, 2005.
[40] "Detailed Report on Tonnage Handled at Harbours and Ports in Quebec" Transport Canada, 2004 and 2005.
[41] « *L'installation de Plastiques Gagnon à Chandler va bon train* », Radio-Canada Web site, August 26, 2005; Gagné, Gilles, « *Éoliennes de petite puissance en fabrication* », Le Soleil, October 12, 2005.

Review of the First Three Quarters of 2005

REVIEW OF THE FIRST THREE QUARTERS OF 2005

Estimate and Comparison of the Tonnage Handled in Quebec's Leading Ports during the First Three Quarters of 2005 and 2004

List of Ports	2005 Jan.-Sept.	2004 Jan.-Sept.	Variation [42] 2005/2004
1. Montreal	18.2 Mt	17.2 Mt	+ 6%
2. Quebec	15.9 Mt	15.3 Mt	+ 4%
3. Sept-Îles	15.5 Mt	13.1 Mt	+ 19%
4. Port-Cartier	10.2 Mt	12.2 Mt	- 16%
5. Port-Alfred	3.6 Mt	3.2 Mt	+ 10%
6. Sorel	3.5 Mt	3.3 Mt	+ 6%
7. Baie-Comeau [43]	2.87 Mt	2.88 Mt	- 0.3%
8. Havre-Saint-Pierre	2.2 Mt	2.0 Mt	+ 5%
9. Trois-Rivières	1.7 Mt	1.6 Mt	+ 10%
10. Bécancour	1.3 Mt	1.15 Mt	+ 13%
11. Gros-Cacouna	243 Kt	133 Kt	+ 82%
12. Port-Saguenay	237 Kt	288 Kt	- 18%
13. Matane [43]	187 Kt	200 Kt	- 7%
14. Rimouski	178 Kt	189 Kt	- 6%
15. Portneuf	74 Kt	72 Kt	+ 3%
16. Pointe-au-Pic	59 Kt	82 Kt	- 29%
17. Gaspé	56 Kt	65 Kt	- 15%
18. Chandler	3.9 Kt	2.8 Kt	+ 40%
Total	**76 Mt**	**73 Mt**	**+ 4%**

Source: Port authorities and Transport Canada

Compilation: DRPE, Fisheries and Oceans Canada, Quebec Region.

[42] The variations in tonnage are calculated from unrounded data about handled tonnage.

SEAWAY

Slight Increase in Total Freight on the Seaway

The St. Lawrence Seaway welcomed 2 934 ships during the first three quarters of the year, 5% more than during the same period last year. An increase in tonnage was also reported. Ships using the Seaway carried 28.5 Mt of cargo, 1.4% more than during the same period last year. Of all of the cargo, the tonnage of iron ore increased the most in 2005, with 9%.[44]

Transportation of New Cargo on the St. Lawrence Seaway

The reduction in lockage fees in the Welland Canal for ships carrying new cargo in the Seaway has born fruit. The St. Lawrence Seaway Management Corporation already reported that by the end of June, nearly 82 000 t of new cargo had been shipped between the Great Lakes and the Seaway. Among the new products are raw sugar, aluminum, various chemical products and machinery parts. Nearly half of the new goods were generated by domestic traffic over a short distance. The rest was from international traffic.[45]

[43] This data does not include the tonnage passing through the ports of Baie-Comeau and Matane on the *Georges-Alexandre-Lebel* train ferry.

[44] "Seaway Monthly Traffic Results as of September 30, 2005", Great Lakes St. Lawrence Seaway System, October 2005.

[45] "Lower Fees Bring New Cargo to Seaway", Great Lakes St. Lawrence Seaway System, July 2005.

MARINE SECURITY

Reinforcing Marine Security on the St. Lawrence

This summer, the Royal Canadian Mounted Police (RCMP) and the Canadian Coast Guard (CCG) began joint marine security and law enforcement patrols on the Great Lakes and St. Lawrence River in the framework of the RCMP's Coastal Watch Program. In Quebec, police officers from the RCMP's new Marine Security Enforcement Team (MSET) are working aboard the *CCGS Isle Rouge*.

The RCMP's Marine Security Enforcement Team is responsible for watching individuals and ships that could be a threat to Canada and its population. Identified threats include terrorism, drug trafficking, smuggling, illegal immigrants entering Canada and illegal waste discharge. The introduction of the Marine Security Enforcement Team follows the Government of Canada's decision last April to implement a series of measures over five years. These measures, to the tune of $300 M, are intended to reinforce the security of Canada's maritime transportation network and maritime borders.[46]

MARITIME TRANSPORT IN QUEBEC

The *ministère des Transports du Québec*'s Strategic Plan for 2005-2008

One of the main purposes of the *ministère des Transports du Québec*'s strategic plan for 2005-2008 is to promote and support rail, maritime and intermodal transportation. The *Ministère* would like to see the complimentary and optimal use of all of the road, rail, air and maritime transport networks' infrastructures.[47]

The government had implemented a *Programme d'aide à l'amélioration des infrastructures de transport ferroviaire* and a *Programme d'aide en transport maritime* at the beginning of the new millennium that included a section favouring the implementation of intermodal infrastructures. In 2004-2005, Transports Québec invested approximately $2.4 M to carry out intermodal projects. Moreover, last April, the *Ministère* entered into a memorandum of agreement with the federal government to create a public-private partnership to fund intermodal projects in the shipping industry.[48]

Lower St. Lawrence Pilots Equipped with a Navigation Simulator

Pilots from the Lower St. Lawrence, who help ships travel safely between Les Escoumins and the Port of Quebec, recently acquired a new high-tech training tool. The navigation simulator will allow both the pilots from the Lower St. Lawrence and their colleagues sailing in the Quebec-Montreal section of the river to perfect their training. The simulator can, among other things, simulate several actual navigation situations with winds, currents, tides, lack of visibility as well as accident or crisis situations that are impossible to practice in real life.[49]

INTERNATIONAL MARITIME TRANSPORT

Highlights of the International Maritime Transport Industry

The Round Table of International Shipping Associations[50] published a document presenting the highlights of the international maritime transport industry. It reports, among others:

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[46] Fortin, Pascale, « *Renforcement de la sûreté maritime sur le Saint-Laurent* », Infoceans, August, September 2005.
[47] « *Plan stratégique du ministère des Transports 2005-2008* », Transports Québec, 2nd quarter of 2005.

[48] Girouard, Chantal, « *Un plan stratégique pour l'intermodalité au ministère des Transports du Québec* », Routes & Transports, Fall 2005.
[49] Pelchat, Pierre, « *Les pilotes du Bas-Saint-Laurent se dotent d'un simulateur de navigation* », Le Soleil, August 31, 2005.
[50] Round Table of International Shipping Associations – BIMCO, INTERCARGO, International Chamber of Shipping/International Shipping Federation and INTERTANKO.

- International maritime transportation is responsible for shipping 90% of world trade.
- International maritime transportation is the driving force behind the global economy. Without maritime transport, the bulk transportation of raw material and the importation-exportation of several consumer and industrial goods would simply not exist.
- International merchant ship traffic generates annual revenues of over 350 billion US dollars in freight charges within the global economy.
- The global fleet of international merchant ships is estimated to be approximately 50 000 ships registered in over 150 countries.
- The international maritime transportation industry employs over one million sailors of almost all nationalities.[51]

ENVIRONMENT

Draft Agreement on Managing the Waters of the Great Lakes Basin/St. Lawrence River

A public consultation on managing the waters of the Great Lakes Basin was held in Quebec City last July. The Canado-American draft agreement, involving eight American states and two Canadian provinces (Quebec and Ontario), concerns the water reservoir that extends from Lake Superior to Trois-Rivières, representing 18% of the world's freshwater resource. Approximately 40 million people live in this huge perimeter. Big cities like Chicago, Detroit, Toronto and Montreal draw most of their drinking water from this reservoir. The water is also used for 55% of Canada's industrial production.

This immense freshwater reservoir is very fragile. According to the global warming scenario, the water level of the Great Lakes could drop one meter by 2050. Moreover, according to the same scenario, the quantity of water flowing from the Great Lakes into the St. Lawrence River could drop 25% over the next century.

The new agreement should keep out-of basin diversion to a minimum. It also states that all significant water removal will be subject to six precise terms, including ensuring that 100% of the water must be returned to the basin after having been treated, as needed.[52]

Ballast Water a Concern in Canada and the United States

On October 17, the *St. Lawrence Seaway Management Corporation* (Canada) and the *Saint Lawrence Seaway Development Corporation* (United States) met with the director of the International Maritime Organization's (IMO) Environment Division in London. The delegation discussed problem concerning the exchange of ballast water and the threat of invasive aquatic species.

The meeting emphasized the importance of a partnership between the governments and the industry in the Great Lakes St Lawrence Seaway System in order to find a solution for controlling, even eventually eliminating, invasive aquatic species. IMO's Director of Marine Environment supported the Seaway's efforts to protect the environment and committed to working closely with Canada and the United States to promote new ballast water treatment technologies.[53]

COMMODITIES

Iron Ore

Strong Worldwide Demand for Iron Ore

According to Export Development Canada (EDC), Canadian exports of metallic ore and metal manufacturing should grow 22% and 8%

[51] "International Shipping Carrier of World Trade". Round Table of International Shipping Associations: www.shippingfacts.com

[52] Gagné, Jean-Simon, « *Au chevet de l'or bleu* », Le Soleil, July 29, 2005.

[53] "Great Lakes Seaway Trade Mission Executives Discuss Ballast Water and Invasive Species Issues with International Maritime Organization", press release, Great Lakes St. Lawrence Seaway System, October 17, 2005.

respectively in 2005. The main rise will come from iron ore, whose production should increase. The global market will continue to be influenced by a strong Chinese demand for engineering metal and ore.[54] If this is true, the market situation should have a positive effect on iron ore production by Quebec mining companies and consequently, on the tonnage of ore handled in certain Quebec ports.

Mineral exploration on the North Shore is looking excellent. Several mining companies are investing millions of dollars in prospecting activities. Quinto Technologies is boring for ilmenite in Lac Brûlé and nickel in Lac Paradis. There are apparently even companies looking for uranium on the North Shore. Nearly $4 M was invested in exploring and developing mining sites on the North Shore in 2004, 25% more than in 2003.[55]

Wheat

Expected Drop in Harvest

According to EDC, Canada's total cereal and oilseed production should drop by 5% in 2005. Crops in Western Canada were not as good as predicted, which should have a negative impact on cereal exportations. Canadian wheat exports could also drop 5% in 2005, decreasing the tonnage of grain and cereal handled by certain Quebec ports.[56]

Aluminum

Anticipated Increase in Canadian Aluminum Production

According to EDC, Canada's aluminum production should increase in 2005 and 2006. The end of striking and the inauguration of phase 2 of the Alouette project in Sept-Îles should lead to a rise in production by Quebec's aluminum industry.[57] The most recent statistics on Canadian aluminum production report 1.65 Mt for the first 7 months of the year, 3% more than during the same period last year.[58]

Newspaper

Hard Times for Paper Companies in Eastern Canada

According to specialized analysts, the paper industry in Eastern Canada may see more plant closures in the short and medium term. The ability of Eastern Canada's paper industry to compete on the world market plummeted in the last several years. Pulp and paper production costs for paper mills in Eastern Canada (Ontario, Quebec and the Maritime Provinces) are among the highest in the world. The dollar's strong appreciation also had a negative impact on the export income of Canadian paper mills. In a time of wavering global demand and a drop in American newspaper consumption, work slowdowns in Quebec and Canadian paper mills, even plant closings, are on the horizon.[59]

FERRIES

Slight Drop in Traffic in 2005

The *Société des traversiers du Québec* (STQ) reported less passenger traffic on its ferries between January and September 2005. The number of passengers who travelled on any of the eight ferries operated by the STQ decreased by 1%, from 4.41 million in 2004 to 4.35 million in 2005. The number of vehicles (cars, trucks, buses, trailers, motorcycles and other) dropped from 1.74 million in 2004 to 1.73 million in 2005, only 0.2%. Only the Matane / Baie-Comeau / Godbout, Île-aux-Grues / Montmagny, Ile-d'Entrée / Cap-aux-Meules and Rivière-du-Loup / Saint-Siméon crossings had an increase in passengers.[60]

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[54] "Global Export Forecast, Update", Export Development Canada, Spring 2005.
[55] « *L'année 2005 s'annonce très prometteuse pour l'exploration minière* », Radio-Canada Web site, October 11, 2005.
[56] "Global Export Forecast, Update", Export Development Canada, Spring 2005.
[57] Ibid

[58] "Production of Canada's Leading Minerals", Natural Resources Canada, January to July 2005.
[59] Vallières, Martin, « *Début d'un grave cycle de déclin pour l'industrie*? », La Presse, August 8, 2005.
[60] « *Statistiques pour la période de six mois se terminant le 30 septembre 2005* » and « *Statistiques pour la période de six mois*

The Paspébiac-Caraquet Crossing

Chantier naval de Matane hopes to take over the Paspébiac-Caraquet crossing with its catamaran, *CNM Évolution*. The boat currently travels between Rimouski and Forestville. Chantier naval de Matane will replace the *CNM Évolution* with a large catamaran able to better handle the river's waves. Thanks to *CNM Évolution*, which can carry 30 vehicles and 175 passengers, the Paspébiac-Caraquet crossing can be completed in under an hour. The project to run a maritime shuttle between the two cities requires, among others, $800 000 in investments to rebuild the landings in both cities.[61]

CRUISES/TOURS

More Cruise/Tour Customers

According to the Québec Tour Boat Association, approximately 1.2 million people took a cruise/tour in Quebec in 2005, a 20% increase compared to 2004. This can be explained by last summer's beautiful weather as well as the growing number of vacationers who want to enjoy outdoor activities on their vacations.[62]

CRUISES

The Cold Water Cruise Market in Quebec

Quebec's maritime regions (North Shore, Lower St. Lawrence, Gaspé, Magdalen Islands) are being targeted by cruise companies interested in developing the cold water cruise market, with Newfoundland as the destination. Two cruise lines, Carnival Cruises and Swan Hellenic, recently visited certain areas of the Gulf, notably the North Shore, to assess their potential. According to the St. Lawrence Cruise Association, the challenge for the maritime regions will be to offer the liners port facilities that are in good condition as well as activities for cruise passengers at each stop-over. The cold water cruise market, as in Alaska, is in full growth.[63]

PLEASURE BOATING

A New Marina in the Old Port of Montreal

Montreal's Yacht Club marina began building a new marina at the Clock Tower wharf in the Old Port. The project involves making 200 places at the wharf, 20% of which will be reserved for tourists from outside of Quebec. Estimated at $2.2 M, its goals is to make up for the lack of wharf accommodations in marinas in the Montreal area.[64]

Pleasure Boating on the Rise in Gaspé and the Magdalen Islands

Sailing has attracted a growing number of pleasure boaters in Gaspé and the Magdalen Islands over the last several years. This leisure activity has become so popular that the 500 wharf accommodations in Gaspé and the Magdalen Islands' twelve marinas are almost always full. The *Association des havres de plaisance de la Gaspésie et des Îles-de-la-Madeleine* hopes to obtain government funding to build the necessary infrastructures (about one hundred additional places) to meet the growing demand from boaters in and outside of the region.[65]

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se terminant le 31 mars 2005 », Société des traversiers du Québec.

[61] « *Le CNM Évolution pourrait faire la navette entre Paspébiac et Caraquet* », Radio-Canada Web site, October 18, 2005.

[62] Ramsay, Charles-Albert, « *L'industrie des croisières est en pleine expansion* », Les Affaires, October 22, 2005.

[63] « *Le Québec maritime dans la mire des croisiéristes* », Radio-Canada Web site, September 6, 2005.

[64] « *Nouvelle marina dans le Vieux-Port* », Radio-Canada Web site, August 11, 2005.

[65] « *Les plaisanciers adoptent la Gaspésie* », Radio-Canada Web site, July 27, 2005.

COMMENTS

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